



Date: December 2, 1999 Mass Mailer #99-22

To: All School Districts and County Superintendents of Schools

Subject: **SCHOOL FACILITY PROGRAM GRANTS CURRENTLY NOT PERMITTED
FOR PROJECTS ON LEASED LAND**

At the October 27, 1999 State Allocation Board (SAB) meeting, the issue of building facilities on long-term leased land was discussed. The SAB approved the concept; however, it was determined that a legislative remedy was required because of the language in Education Code Section 17070.70 which provides that districts must hold title to all property acquired, constructed, or improved with funds made available under the School Facility Program (SFP). Until legislation is passed to address this issue, SFP grants cannot be made for projects in which the facilities are being built or improved on leased land.

If the district utilizes SFP grants for construction or improvement of facilities on land not owned by the district, those expenditures will be deemed ineligible for reimbursement at the time of the project audit. Expenditures deemed ineligible are subject to an adjustment of the SFP grant apportionment as provided in the SFP Regulation Section 1859.106.

Should you have questions or need any additional information regarding the contents of this letter, please contact your project manager.

Sincerely,

LUISA M. PARK
Interim Executive Officer
Office of Public School Construction

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